

CHAPTER 105
REGISTERED AMUSEMENT DEVICES

481—105.1(10A,99B) Definitions. The definitions in rule 481—104.1(10A,99B) are incorporated by reference in this chapter. In addition, the following definitions apply to the possession and use of registered amusement devices.

“Amusement device registration availability” means a registration position which becomes available when a distributor or owner is going out of business, fails to renew a registration within time frames established by the department, has an electrical and mechanical device seized by law enforcement and the seizure is upheld through a forfeiture hearing, or any other legal order has been issued which pertains to violations of Iowa Code chapter 99B, 123, or 123A. The maximum number of registration positions available is 6,928.

“Counting mechanism” means an appliance that tallies the volume of business of an individual amusement device.

“Distributes” means to deliver, to provide or to otherwise make available in Iowa amusement devices required to be registered in accordance with these rules.

“Distributor” means, for the purposes of Iowa Code sections 99B.10, 99B.10A, and 99B.10B, any person who owns electrical and mechanical amusement devices that are registered as provided in Iowa Code section 99B.10(4) and that are offered for use at more than a single location or premises.

“Manufacturer” means, for the purposes of Iowa Code sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state that originally produces an electrical and mechanical amusement device required to be registered under Iowa Code section 99B.10(4) or produces individual components for use in such a device.

“Manufacturer’s representative” means, for the purposes of Iowa Code sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state that promotes or sells electrical and mechanical amusement devices required to be registered under Iowa Code section 99B.10(4) or promotes or sells individual components for use in such devices on behalf of a manufacturer of such devices or components.

“Operation” means that a registered amusement device is made available for use by the public or made available for use on the premises of a charitable organization.

“Organization” means an entity that meets the requirements of Iowa Code section 99B.7(1)“m.”

“Owner” means, for the purposes of Iowa Code sections 99B.10A and 99B.10B, any person that owns an operable electrical and mechanical amusement device required to be registered under Iowa Code section 99B.10(4). An owner that operates for profit is allowed up to two machines at a single location. An owner that meets the requirements of Iowa Code section 99B.7(1)“m” is allowed up to four machines at a single location.

“Person” means a person as defined by Iowa Code section 4.1.

“Premises” means a location where one or more registered amusement devices are available for public use.

“Prize” means a ticket(s) or token(s) that is dispensed by a registered amusement device as an award for use and that is worth up to \$5 in merchandise.

“Registered amusement device” means an electrical and mechanical amusement device in operation subject to registration by the department pursuant to Iowa Code section 99B.10(4) and includes both the external and internal components. Any change in the registered amusement device, including the external and internal components of the registered amusement device, constitutes a new registered amusement device for which registration by the owner is required. The word “change” as used herein does not include repairs or replacement of parts that do not change or alter the operation of the device as originally registered by the owner. If the repairs or replacement parts alter the operation of the device as originally registered, then the device must be reregistered before it is made available for operation.

“Responsible party,” as listed on the amusement device registration, means the owner of the amusement device(s).

“Security mechanism” means an appliance which prevents a person from operating an electrical and mechanical amusement device by not allowing the acceptance of money until action is taken by the owner or owner’s designee to allow the person to operate the device.

481—105.2(99B) Registered amusement device restrictions. Each registered amusement device shall be located on premises for which a Class “A,” Class “B,” Class “C,” or Class “D” liquor control license or a Class “B” or a Class “C” beer permit has been issued pursuant to Iowa Code chapter 123.

105.2(1) The number of electrical and mechanical amusement devices registered by the department shall not exceed 6,928, the total number of devices registered by the department as of the effective date of 2004 Iowa Acts, chapter 1118, April 28, 2004.

105.2(2) The department shall not initially register an electrical and mechanical amusement device that is required to be registered pursuant to Iowa Code section 99B.10(4) to an owner for a location for which only a Class “B” or a Class “C” beer permit has been issued pursuant to Iowa Code chapter 123 on or after the effective date of 2004 Iowa Acts, chapter 1118, April 28, 2004.

105.2(3) An owner at a location for which only a Class “B” or a Class “C” beer permit has been issued pursuant to Iowa Code chapter 123 shall not relocate an amusement device registered as provided in this chapter to a location other than the location of the device on the effective date of 2004 Iowa Acts, chapter 1118, April 28, 2004, and shall not transfer, assign, sell, or lease an amusement device as provided in this chapter to another person for which only a Class “B” or a Class “C” beer permit has been issued pursuant to Iowa Code chapter 123 after the effective date of 2004 Iowa Acts, chapter 1118, April 28, 2004.

EXAMPLE 1: An electrical and mechanical amusement device is registered with the department and is located at a convenience store that has a Class “C” beer permit.

1. If the amusement device needs to be repaired, the owner may repair it without losing the registration position or buying a new registration tag.
2. If the amusement device needs to be replaced because it is defective, it must be replaced with the same game in order to keep the registration position.
3. The amusement device cannot be moved from one location to another under a Class “B” or a Class “C” beer permit, even if the number of registered devices at a location does not change.
4. If a location with a Class “B” or a Class “C” beer permit had only one amusement device registered on April 28, 2004, the maximum number of devices allowed at that location shall be one.

105.2(4) On or after July 1, 2005, an owner of an electrical and mechanical amusement device located on a premises that does not have a Class “A,” Class “B,” Class “C,” or Class “D” liquor control license or a Class “B” or a Class “C” beer permit issued pursuant to Iowa Code chapter 123 shall not offer the amusement device for use by the public. However, the owner of an amusement device shall be permitted to sell the device to a distributor registered by the department or to a person authorized to offer the device to the public pursuant to Iowa Code section 99B.10(4) for which a Class “A,” Class “B,” Class “C,” or Class “D” liquor control license has been issued pursuant to Iowa Code chapter 123. The purchaser must obtain a new registration tag for the device by applying to the department for a registration availability. The purchaser may not place the device for use by the public until a registration tag is received for the device. The seller must notify the department within ten days of the change in ownership of the device and return the registration tag, if available, to the department.

105.2(5) By July 1, 2004, each electrical and mechanical amusement device at a location for which only a Class “B” or a Class “C” beer permit has been issued pursuant to Iowa Code chapter 123 shall include on the amusement device a security mechanism which prevents a person from operating the amusement device by not allowing the acceptance of money until the machine is activated by the owner or owner’s designee. A sign shall be posted stating that a person must be 21 years of age to operate the registered amusement device.

EXAMPLE 2: A patron in a convenience store tries to put money in an amusement device, but the amusement device will not take the money. The patron approaches the person working behind the counter, who then asks the patron for an ID. If the patron is 21 years of age or older, the amusement device is activated, thereby allowing the patron to play the amusement device. The owner or owner’s designee shall reactivate the security mechanism once the patron has finished playing the amusement device.

105.2(6) The registered amusement device shall be registered in accordance with these rules and shall comply with all of the requirements of Iowa Code section 99B.10 and rule 481—104.2(99B).

105.2(7) The registered amusement device shall not be designed or adapted to facilitate gambling, nor shall the device be capable of playing poker, blackjack, or keno.

105.2(8) If the department, or the department’s designee, determines that a registered amusement device is not in compliance with the requirements of this chapter or any other provision of Iowa law, the device may be subject to seizure, and any registration associated with the device, including the registration of the manufacturer, manufacturer’s representative, or the distributor, may be revoked.

105.2(9) A person owning or leasing an electrical and mechanical amusement device shall not advertise or promote the availability of the amusement device to the public as anything other than an electrical and mechanical amusement device. Situations that constitute advertising and promoting include, but are not limited to, posted signs, newspaper/magazine advertisements, radio and television ads, word of mouth and Internet posting.

105.2(10) A person who is interested in being included on a waiting list for an amusement device registration position may obtain an application form by telephone at (515)242-5264. A registration position request shall be processed by the department in the same order in which the application is received. Each person shall have no more than one registration position request on the waiting list at one time. After receipt of an amusement device registration position from the waiting list, the person may make an additional request for a registration position. If the person does not pay the appropriate registration fees within ten calendar days of the notification of registration availability, the person shall forfeit the position to the next applicant on the waiting list, and the person’s name shall be moved to the bottom of the waiting list.

105.2(11) A new amusement device registration shall only be allowed at a location that has a Class “A,” Class “B,” Class “C,” or Class “D” liquor control license issued pursuant to Iowa Code chapter 123.

EXAMPLE 3: An amusement device is located in a bar that has the appropriate liquor license. On April 28, 2004, this location had only one amusement device. An additional amusement device may be added to this location.

1. If the amusement device needs to be repaired, it may be repaired without the loss of the device’s registration position.
2. If the amusement device is defective and needs to be replaced, it can be replaced with the same game under the original registration without the incurring of additional charges.
3. If the amusement device is replaced with a new amusement device that has a different game, a new registration tag shall be purchased from the department.

105.2(12) If a person purchases an amusement device that is registered with the department, the registration tag, if available, must be removed from the purchased amusement device and returned to the department. The department shall be notified in writing within ten calendar days of the change in ownership of any amusement device. The purchased device shall be removed from the inventory of the original owner, thus creating a registration position on the waiting list. The purchaser must apply for a registration position on the waiting list for the device.

105.2(13) An amusement device that is registered with the department and located in a warehouse may be placed in a location that has a Class “A,” Class “B,” Class “C,” or Class “D” liquor license issued pursuant to Iowa Code chapter 123. Such a device may also be used as a replacement device.

105.2(14) The registration application for all new amusement devices must be accompanied by the receipt, invoice, or bill of sale containing the seller’s name, company name, and address and transaction date.

481—105.3(99B) Prohibited registered amusement devices. The following devices are prohibited:

1. Amusement devices registered in violation of statutory or regulatory requirements governing such devices.
2. Registered amusement devices that are prohibited by 481—104.3(99B).
3. Any registered amusement device that does not conform to the requirements in these rules or Iowa Code chapter 99B.
4. Any registered amusement device designed or adapted to facilitate gambling.

481—105.4(99B) Prizes. Prizes may be awarded for use of a registered amusement device, but only in conformance with 481—104.4(99B). All prizes awarded must be in conformance with each of the requirements imposed by 481—104.4(99B).

481—105.5(99B) Registration by a manufacturer, manufacturer’s representative, distributor, or an owner that operates for profit. A person engaged in business in Iowa as a manufacturer, a manufacturer’s representative, a distributor, or an owner that operates for profit shall be registered with the department prior to engaging in business in Iowa. A person shall register under each of the categories that apply to the business to be conducted in Iowa and shall pay the designated fee for each category of registration.

105.5(1) Each person that registers with the department shall pay an annual registration fee as follows:

- a. For a manufacturer or manufacturer’s representative, \$2,500, effective upon renewal.
- b. For a distributor, \$5,000, effective upon renewal.

c. For an owner of no more than two electrical and mechanical amusement devices registered as provided in Iowa Code section 99B.10(4) at a single location or premises that is not an organization that meets the requirements of Iowa Code section 99B.7(1) “m,” \$2,500. The registration fee shall be effective immediately.

105.5(2) Registration forms are available from the Department of Inspections and Appeals, Amusement Devices, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083, or by telephone at (515)242-5462.

105.5(3) If registration information changes, the person shall notify the department in writing of the changes within ten calendar days.

105.5(4) Registration fees are nonrefundable.

481—105.6(99B) Registration of registered amusement devices. Each owner of an amusement device subject to registration by the department pursuant to Iowa Code section 99B.10(4) shall obtain a registration. A registration issued pursuant to Iowa Code chapter 99B is required to offer a registered amusement device for use.

105.6(1) Each owner of an amusement device subject to the registration requirements imposed by this chapter shall register the device before it is made available for operation.

105.6(2) In the event a registration position is not open, the distributor’s or owner’s name may be placed on the department’s waiting list. The distributor or owner will be notified by the department when a position is available and the distributor’s name or owner’s name reaches the top of the waiting list. Upon the distributor’s or owner’s completion of the application form and payment of the required fee, the department shall issue a registration tag valid for one year from the date of issuance.

a. Application forms are available from the Department of Inspections and Appeals, Amusement Devices, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083. The application form shall contain all information required by the department.

b. Prior to placement of the amusement device for public use, the registration tag shall be prominently displayed on the front of the registered amusement device in such a manner as to be clearly visible to the general public.

c. Any changes to the information provided on the application, including but not limited to changes in ownership, registered amusement device location, and the cessation of business in this state, shall be reported to the department in writing or electronically within ten calendar days of the occurrence of any of the above events.

d. Registration fees are nonrefundable.

105.6(3) A registered amusement device must be obtained from a manufacturer, a manufacturer’s representative or a distributor that is registered with the department pursuant to Iowa Code section 99B.10A. For new machines, proof of purchase, which includes the seller’s name, company name, and address, must accompany the application for registration of the machine.

The owner of the registered amusement device shall exercise due diligence in ensuring that the amusement device is in compliance with these rules and all laws governing such devices. Upon request by the department or the department’s designee, any manufacturer, manufacturer’s representative or distributor registered with the department, or any owner of a registered device, shall permit the inspection of any amusement device and shall make available for inspection all records, documents, and agreements pertaining to the amusement device.

105.6(4) An organization that meets the requirements of Iowa Code section 99B.7(1) “m” shall not permit or offer for use more than four registered amusement devices at any single premises. All other persons shall not permit or offer for use more than two registered amusement devices at any single premises. The single premises where the registered amusement device(s) is located shall have a Class “A,” Class “B,” Class “C,” or Class “D” liquor control license or a Class “B” or a Class “C” beer permit issued pursuant to Iowa Code chapter 123.

105.6(5) Each electrical and mechanical amusement device required to be registered pursuant to Iowa Code section 99B.10 shall, by January 1, 2006, include on the amusement device a counting mechanism.

a. The department of inspections and appeals and the department of public safety shall upon request have access to the information provided by the counting mechanism.

b. The counting mechanism shall be at least six digits in length and shall cumulatively count the total amounts inserted in the device during game play. If the mechanism being used tallies in dollars and cents, at least six digits must be used for the dollar amount. The counting mechanism must not be able to be reset.

c. The counting mechanism shall be equipped with a battery backup, or an equivalent, and shall be capable of accurately maintaining all required information for 30 days after power is discontinued from the device.

105.6(6) Each electrical and mechanical device required to be registered pursuant to Iowa Code section 99B.10 at a location for which only a Class “B” or a Class “C” beer permit has been issued pursuant to Iowa Code chapter 123 shall include on the device a security mechanism that prevents the device from being operated by a person until action is taken by the owner or owner’s designee to allow the person to operate the device.

481—105.7(99B) Violations. Failure to comply with the limitations imposed on the use and possession of registered amusement devices in Iowa Code chapter 99B may result in the following:

1. Conviction for illegal gambling may result under the provisions of Iowa Code chapter 725.

2. Suspension or revocation of a wine or beer permit or of a liquor license may result under the provisions of Iowa Code chapter 123.

3. Property may be forfeited under the provisions of Iowa Code chapter 809.

4. Violation of any laws pertaining to gambling may result in revocation of a registration.

5. The department may revoke a registration or refuse to issue a registration for cause.

6. A registration may be revoked if the registrant or agent of the registrant violates or permits a violation of Iowa Code chapter 99B.

7. A registration may be revoked upon the violation of any rule adopted by the department under this chapter.

8. A registration may be revoked if the registrant or an agent of the registrant engages in any act or omission that would have permitted the department to refuse to issue a registration under Iowa Code chapter 99B.

9. The registration of a registered amusement device may be revoked upon evidence of noncompliance with any laws or rules governing such devices.

10. A person under the age of 21 shall not participate in the operation of an electrical and mechanical amusement device. A person who violates the provisions of Iowa Code section 99B.10C(1) commits a scheduled violation under Iowa Code section 805.8C(4).

11. A person owning or leasing an electrical and mechanical amusement device who knowingly allows a person under the age of 21 to participate in the operation of an electrical and mechanical amusement device or a person who knowingly participates in the operation of an electrical and mechanical amusement device with a person under the age of 21 is guilty of a simple misdemeanor.

The period for revocation or refusal to issue or both shall not exceed two years.

481—105.8(10A,99B) Appeal rights. Decisions to refuse to issue a registration or to revoke a registration by the department may be appealed in accordance with the procedures set out in 481—Chapter 10. The refusal to issue a registration or the notice of revocation shall be in writing and state the specific grounds for the action. When an appeal is received, the status of the registration is governed by the following standards:

105.8(1) No registration will be issued when a new application is denied.

105.8(2) A previously issued registration remains effective until a final agency decision is issued.

481—105.9(10A,99B) Revocation of registration.

105.9(1) The department may revoke for cause any registration issued pursuant to Iowa Code chapter 99B following at least ten days' written notice and opportunity for an evidentiary hearing pursuant to rule 105.8(10A,99B).

105.9(2) If a person awards a cash prize in violation of Iowa Code chapter 99B, the department shall revoke a registration issued pursuant to Iowa Code chapter 99B for a period of ten years following at least ten days' written notice and opportunity for an evidentiary hearing pursuant to rule 105.8(10A,99B).

a. A person whose registration is revoked under the provisions of Iowa Code chapter 99B and for whom a Class "A," Class "B," Class "C," or Class "D" liquor control license has been issued pursuant to Iowa Code chapter 123 shall have the person's liquor control license suspended for a period of 14 days in the same manner as provided in Iowa Code section 123.50(3)"a."

b. A person whose registration is revoked under the provisions of Iowa Code chapter 99B and for whom only a Class "B" or a Class "C" beer permit has been issued pursuant to Iowa Code chapter 123 shall have the person's Class "B" or Class "C" beer permit suspended and that person's sales tax permit suspended for a period of 14 days in the same manner as provided in Iowa Code section 123.50(3)"a."

105.9(3) Any person under the age of 21 who operates an electrical and mechanical amusement device subject to registration by the department shall be fined \$250 pursuant to Iowa Code section 805.8C(4).

481—105.10(80GA,ch147) Reports. Each distributor, owner, or qualified organization that owns electrical and mechanical amusement devices shall semiannually submit a report of the volume of business activity for each device by location and a cumulative total for all locations.

105.10(1) The report forms are available from the Department of Inspections and Appeals, Amusement Devices, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083. The report form shall contain all information required by the department of inspections and appeals to accurately determine the volume of business activity for each device. Information collected by the department as part of the reporting process shall be considered confidential pursuant to 481—paragraph 5.13(1)"c."

105.10(2) Distributors, owners, and qualified organizations may also complete the report form electronically at the following Web site: <https://www.egov.state.ia.us/gmms/>.

105.10(3) The reports are due 30 calendar days after the end of each reporting period. The end of the first reporting period shall be December 31, and the end of the second reporting period shall be June 30. When the due date falls on Saturday, Sunday or a legal holiday, the report is due on the next business day. Records pertaining to the volume of business of the amusement device shall be maintained for a period of five years and shall be made available upon request to representatives of the department or the department's designee.

These rules are intended to implement Iowa Code chapter 99B as amended by 2004 Iowa Acts, chapter 1118, and 2005 Iowa Acts, House File 646.

[Filed 12/17/03, Notice 10/29/03—published 1/7/04, effective 2/11/04*]

[Filed 7/12/05, Notice 5/11/05—published 8/3/05, effective 9/7/05]

*Effective date of 2/11/04 delayed 70 days by the Administrative Rules Review Committee at its meeting held February 9, 2004.